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Letter dated 11 April 2005 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the Secretary-General

I have the honour to transmit to you the report of the meeting of The Forests Dialogue, held in Hong Kong, China, from 7 to 10 March 2005, on "Practical actions to combat illegal logging" (see annex). I should be grateful if the present letter and its annex could be distributed as a document of the fifth session of the United Nations Forum on Forests (16-27 May 2005), as a contribution to the deliberations of that body.

(*Signed*) Emyr **Jones Parry**

* E/CN.18/2005/1.

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Annex to the letter dated 11 April 2005 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the Secretary-General

The Forests Dialogue

Dialogue on practical actions to combat illegal logging
7-10 March 2005 — Hong Kong, People's Republic of China

Co-Chairs' summary report*
Nigel Sizer, Cassie Phillips, Mubariq Ahmad

For the first time, over 120 leaders from business, civil society and Government have met to agree on concrete actions to combat illegal logging in Asia and around the world. Companies and Governments agreed that they each must take responsibility to ensure that the wood and paper products they purchase are legal.

We all agreed that the highest priority is to ensure that no wood is sourced illegally from national parks and reserves or stolen from local communities and private landowners. Such wood contributes to severe ecological harm, promotes social conflict, human rights abuses and violence, results in huge economic losses and slows the development of poor countries. Illegal wood also depresses the prices of wood and paper products, harming companies that respect the law as well as undermining confidence in the industry.

We placed an emphasis on steps that business and civil society can take quickly to reduce illegal logging. Priority actions emerging from the dialogue include the following:

1. Collaborate to strengthen important existing alliances to combat illegal logging, such as:

(a) The Conservation International/American Forest and Paper Association Alliance to Combat Illegal Logging in Protected Areas;

(b) The Global Forest and Trade Network led by the World Wide Fund for Nature (WWF);

(c) The World Business Council for Sustainable Development/WWF joint agenda to combat illegal logging.

2. Use experience gained from ongoing partnerships to develop agreed, auditable, practical national legality standards to accelerate progress towards similar standards in other countries with a high-risk of illegal logging.

3. Create a simple, credible, independent and objective ratings system that can be applied to identify high-risk countries and tree species. Such a system would help forest products companies, retailers and customers, as well as investors, creditors and insurers, to reduce the risk of supporting illegally sourced, harvested

* This statement is the personal summary by the co-chairs and has not been agreed upon by all participants prior to distribution. A more detailed meeting summary will soon be available.

or traded forest products through their wood and paper buying and financial services. This could in turn lead to development of a ratings system for companies.

4. Encourage companies to use innovative technology for wood tracking and to share best practices to improve their supply chain management, reduce costs and assist them in ensuring that illegally sourced, harvested or traded wood does not enter their supply chains.

Companies and non-governmental groups at the meeting included IKEA, Axel Springer Verlag, APRIL, International Paper, Weyerhaeuser, HSBC, ASRIA, Sumalindo, SGS, Stora Enso, Mondi, Tetra Pak, Nippon Paper, Oji Paper, The Nature Conservancy, WWF, World Business Council for Sustainable Development, Conservation International, Greenpeace, Environmental Investigation Agency, Friends of the Earth, Telepak, Tropical Forest Trust, WALHI, CIFOR and the World Resources Institute.

The meeting heard repeatedly how weak governance, corruption, poor law enforcement, conflict, unclear property rights and low investment in training and management of public agencies severely hamper efforts to combat illegal logging. The meeting called on Governments urgently to lead efforts to address these failings.

Priority actions agreed to help build governmental leadership are the following:

1. The Forests Dialogue will send a small delegation of business and civil society leaders to meet with Ministers and other top officials in key capitals in Asia, Europe and beyond to share the results of this meeting and urge concerted effort.

2. Calls for action will be communicated at important upcoming intergovernmental meetings, including the following:

(a) Meeting of the ministers of environment and development of the Group of Eight, England, 17-18 March 2005;

(b) Meeting of the Committee on Forestry of the Food and Agriculture Organization of the United Nations (FAO), 14-18 March 2005;

(c) United Nations Forum on Forests, New York, 16-27 May 2005;

(d) Summit of the Heads of State of the Group of Eight, Scotland, June 2005;

(e) The East Asia FLEG Task Force meeting, Manila, September 2005; and the North Asia and Russia FLEG Ministerial meeting, St. Petersburg, Russian Federation, September 2005.

3. Key government officials who participated in the dialogue called for greater partnership with industry and civil society. All Governments present committed to follow up to strengthen such partnership soon.

Many participants applauded efforts by the European Governments, the United States of America, Japan and others to provide greater targeted development assistance to assist poorer countries with governance reform, training, law enforcement and other activities. Many also encouraged efforts by Europe to introduce public procurement policies and voluntary partnerships with exporting countries that will reduce the import into Europe of wood that may be illegal. We

must all learn quickly from the valuable lessons that will surely emerge from these experiences over coming years.

Importantly, there was strong agreement that law enforcement should be substantially strengthened in both exporting and importing countries. Exporting countries should take urgent steps to enforce laws that protect forests of high value for conservation and to protect local communities from conflict created by illegal logging. Importing countries can do much more to use existing laws to prosecute those involved in the import and distribution of forest products that are illegal in origin. Exemplary prosecutions should be sought using laws to prevent money-laundering, tax evasion, counterfeiting, smuggling, and false claims. Prosecution of large offenders, leaders of criminal syndicates and financiers of forest crime should be the highest priority in this much-needed global crackdown on forest crime. In addition, some participants urged the consumer countries to make it illegal to import wood products illegally sourced in the country of origin.

Governments represented at the meeting included: the People's Republic of China, Malaysia (Sarawak and peninsular Malaysia), Japan, Indonesia, the Philippines, the United States of America, the United Kingdom, Sweden and the Russian Federation. The European Union also sent representatives to the meeting.

There was strong support for regional efforts to combat illegal logging, such as the Forest Law Enforcement and Governance initiatives and the Asia Forest Partnership. During the meeting, officials from China, Indonesia and Malaysia agreed that they should work more closely together to reduce the trade in illegal wood between their countries.

Acknowledgements

The co-chairs are extremely grateful to all who participated in the meeting for the time, energy and expressions of commitment to work together to combat forest crime.

TFD thanks the following for sponsorship of this meeting:

Civil society: The Nature Conservancy; WWF; Yale University

Private sector: APRIL; American Forest and Paper Association; International Paper; World Business Council for Sustainable Development

Governments/Intergovernmental: Department for International Development, United Kingdom; International Tropical Timber Organization; Swedish International Development Agency; United States Agency for International Development; Directorate General for International Cooperation (DGIS) — the Netherlands

TFD thanks the following for serving as leaders in developing this meeting: Nigel Sizer-TNC, Cassie Phillips-Weyerhaeuser; Mubariq Ahmad-WWF Indonesia; James Griffiths-WBCSD; Hugh Speechly-DFID UK; Rod Taylor-WWF Asia-Pacific; Bo Gohl-SIDA; Roberto Smeraldi-FOE Brazil. For Coordination: Judy Chau-TNC Hong Kong; Kate Fuller-WWF Asia-Pacific; Sarah Price and Linda Kramme-Yale.

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For access to all of the presentations made at the meeting, list of participants, background reports and useful links please go to www.theforestsdialogue.org.